



Guaranteed Rural Housing Loan Program Property Requirements

New Construction

Prior to issuance of the loan note guarantee, lender must certify that the following certifications, inspection reports and warranties have been obtained by the lender and are satisfactory:

- **Plans Certification**
Copy of certification that house plans and specifications comply with appropriate local and state codes.
- **Construction Inspections**
Certification that foundation, framing and final inspections have been completed in compliance with local and state requirements and codes.
- **Builder's 1-year Warranty or 10-year Homeowner's Warranty.**
If 10-year warranty is provided, the plans certification and the foundation and framing inspections are waived.
- **Residential Energy Standards**
Builder to provide evidence that home is built to California Title 24 Energy Standards or to CABO 1992 Model Energy Code
- **Permits/Clearances**
 - Termite Soil Treatment Guarantee
 - Notice of Occupancy/Certificate of Occupancy
 - Well and septic certifications for local health authority or private licensed firm

Existing Homes

All existing homes (12 months old or older) must be structurally sound, functionally adequate and placed in good repair prior to the issuance of USDA's loan note guarantee. The following documentation and certifications must be submitted to USDA Rural Development prior to the issuance of the loan note guarantee:

For All Existing Homes:

- Termite report and clearance (Section 1 items to be cleared. section 2 items to be completed only when a health and safety issue.)

PROPERTY REQUIREMENTS

- Signed certification from qualified inspector that the home meets the requirements contained in USDA Rural Development's "Existing Home Certification". Inspection completed by individual determined qualified by lender.

For Homes Built Prior to 1984:

- Signed certification from a qualified inspector that the home meets USDA Rural Development's thermal standards for insulation in ceilings, walls, windows and, if applicable, doors. (Please refer to the attached table to determine the thermal insulation requirements for your area.)

In lieu of a signed certification form, the following alternative certification is acceptable to verify adequate thermal standards for the property.

California Home Energy Efficiency Rating System (CHEERS) rating of 50-80, depending on property's location. (Please refer to attached table to determine rating needed for your area.)

Site Requirements

- Site value should not exceed 30% of the total appraised value.
- Well certification and septic certification required when applicable.
- Streets and roads servicing the property should be paved, or must have an all-weather surface. Properties must have direct access to a street or driveway with no slopes over 14%.
- Condo's and PUD projects must be served by a Homeowners Association which is in control of the project and has been approved by HUD, VA, Fannie Mae or Freddie Mac
- No restrictions on the size or design of the dwelling
- Homes in flood zones must obtain adequate flood insurance coverage and be above the 100-year flood elevation, unless property receives a Letter of Map Revision from FEMA.